RESORTS INTERNATIONAL HOTEL, INC.
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2006

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

RESORTS INTERNATIONAL HOTEL, INC.
BALANCE SHEETS

AS OF DECEMBER 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)	
	ASSETS:				
	Current Assets:				
1	Cash and Cash Equivalents		$17,954	$25,331	
2	Short-Term Investments		0	0	
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2006, $2,165; 2005, $1,334)	3	8,650	9,644	
4	Inventories	4	1,489	1,351	*
5	Other Current Assets	5	4,026	2,749	
6	Total Current Assets		32,119	39,075	
7	Investments, Advances, and Receivables	6	12,224	11,649	
8	Property and Equipment - Gross	7	320,254	311,073	*
9	Less: Accumulated Depreciation and Amortization		(70,985)	(53,261)	
10	Property and Equipment - Net		249,269	257,812	
11	Other Assets		5,568	6,567	
12	Total Assets		$299,180	$315,103	
	LIABILITIES AND EQUITY:				
	Current Liabilities:				
13	Accounts Payable		$16,171	$8,010	
14	Notes Payable		0	0	
	Current Portion of Long-Term Debt:				
15	Due to Affiliates		0	0	
16	External		15,742	5,617	
17	Income Taxes Payable and Accrued		384	0	
18	Other Accrued Expenses	8	20,124	20,301	
19	Other Current Liabilities	9	11,954	15,164	
20	Total Current Liabilities		64,375	49,092	
	Long-Term Debt:				
21	Due to Affiliates	10	178,306	177,669	
22	External	10	10,809	16,555	
23	Deferred Credits		0	0	
24	Other Liabilities		0	0	
25	Commitments and Contingencies	14	0	0	
26	Total Liabilities		253,490	243,316	
27	Stockholders', Partners', or Proprietor's Equity		45,690	71,787	
28	Total Liabilities and Equity		$299,180	$315,103	

* Restated to conform with current year presentation

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

RESORTS INTERNATIONAL HOTEL, INC.
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino		$279,816	$268,074
2	Rooms		21,360	23,352
3	Food and Beverage		32,889	24,282
4	Other		7,670	6,021
5	Total Revenue		341,735	321,729
6	Less: Promotional Allowances		89,454	75,372
7	Net Revenue		252,281	246,357
	Costs and Expenses:			
8	Cost of Goods and Services		177,340	171,940
9	Selling, General, and Administrative		51,895	42,521
10	Provision for Doubtful Accounts		1,048	508
11	Total Costs and Expenses		230,283	214,969
12	Gross Operating Profit		21,998	31,388
13	Depreciation and Amortization		19,754	20,934
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other			
16	Income (Loss) from Operations		2,244	10,454
	Other Income (Expenses):			
17	Interest Expense - Affiliates		(21,336)	(21,266)
18	Interest Expense - External		(3,755)	(1,437)
19	CRDA Related Income (Expense) - Net		(1,041)	(963)
20	Nonoperating Income (Expense) - Net		881	691
21	Total Other Income (Expenses)		(25,251)	(22,975)
22	Income (Loss) Before Taxes and Extraordinary Items		(23,007)	(12,521)
23	Provision (Credit) for Income Taxes		3,090	(2,167)
24	Income (Loss) Before Extraordinary Items		(26,097)	(10,354)
25	Extraordinary Items (Net of Income Taxes - 2006, $0; 2005, $0)			
26	Net Income (Loss)		($26,097)	($10,354)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

RESORTS INTERNATIONAL HOTEL, INC.
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino		$68,268	$63,753
2	Rooms		5,194	5,873
3	Food and Beverage		8,393	6,107
4	Other		2,774	1,366
5	Total Revenue		84,629	77,099
6	Less: Promotional Allowances		23,560	19,120
7	Net Revenue		61,069	57,979
	Costs and Expenses:			
8	Cost of Goods and Services		45,096	44,970
9	Selling, General, and Administrative		14,115	12,928
10	Provision for Doubtful Accounts		414	150
11	Total Costs and Expenses		59,625	58,048
12	Gross Operating Profit		1,444	(69)
13	Depreciation and Amortization		4,377	4,945
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other			
16	Income (Loss) from Operations		(2,933)	(5,014)
	Other Income (Expenses):			
17	Interest Expense - Affiliates		(5,342)	(5,325)
18	Interest Expense - External		(1,049)	(313)
19	CRDA Related Income (Expense) - Net		(152)	(266)
20	Nonoperating Income (Expense) - Net		270	210
21	Total Other Income (Expenses)		(6,273)	(5,694)
22	Income (Loss) Before Taxes and Extraordinary Items		(9,206)	(10,708)
23	Provision (Credit) for Income Taxes		258	(2,581)
24	Income (Loss) Before Extraordinary Items		(9,464)	(8,127)
25	Extraordinary Items (Net of Income Taxes - 2006, $0 ; 2005, $0)			
26	Net Income (Loss)		($9,464)	($8,127)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

RESORTS INTERNATIONAL HOTEL, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2006

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 2004..........**		100	$0			$77,673		$4,468	$82,141
2	Net Income (Loss) - 2005.............								(10,354)	(10,354)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....................................									0
5	Prior Period Adjustments.............									0
6										0
7										0
8										0
9										0
10	**Balance, December 31, 2005..........**		100	0	0	0	77,673	0	(5,886)	71,787
11	Net Income (Loss) - 2006.............								(26,097)	(26,097)
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....................................									0
14	Prior Period Adjustments.............									0
15										0
16										0
17										0
18										0
19	**Balance, December 31, 2006 ....**		100	$0	0	$0	$77,673	$0	($31,983)	$45,690

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

RESORTS INTERNATIONAL HOTEL, INC.
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$186	$9,865
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment		(9,815)	(11,966)
5	Proceeds from Disposition of Property and Equipment		102	28
6	CRDA Obligations		(3,478)	(3,292)
7	Other Investments, Loans and Advances made		0	0
8	Proceeds from Other Investments, Loans, and Advances		0	0
9	Cash Outflows to Acquire Business Entities		0	0
10	CRDA Reimbursement		0	63
11	Purch of cash and cash equiv-restricted, net of rele		0	398
12	Net Cash Provided (Used) By Investing Activities		(13,191)	(14,769)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt		(5,617)	(1,606)
15	Proceeds from Long-Term Debt		9,996	0
16	Costs of Issuing Debt		1,249	(118)
17	Payments to Settle Long-Term Debt		0	0
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock		0	0
20	Payments of Dividends or Capital Withdrawals		0	0
21				
22				
23	Net Cash Provided (Used) By Financing Activities		5,628	(1,724)
24	Net Increase (Decrease) in Cash and Cash Equivalents		(7,377)	(6,628)
25	Cash and Cash Equivalents at Beginning of Period		25,331	31,959
26	Cash and Cash Equivalents at End of Period		$17,954	$25,331

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)		$22,674	$21,814
28	Income Taxes		$1,197	($391)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

RESORTS INTERNATIONAL HOTEL, INC.
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006 AND 2005

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($26,097)	($10,354)
30	Depreciation and Amortization of Property and Equipment		18,368	18,055
31	Amortization of Other Assets		1,386	2,879
32	Amortization of Debt Discount or Premium		637	566
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		1,890	(3,669)
35	(Gain) Loss on Disposition of Property and Equipment		(66)	(28)
36	(Gain) Loss on CRDA-Related Obligations		1,041	963
37	(Gain) Loss from Other Investment Activities		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		994	(1,077)
39	(Increase) Decrease in Inventories		(138)	(135)
40	(Increase) Decrease in Other Current Assets		(1,277)	(77)
41	(Increase) Decrease in Other Assets		(1,605)	1,002
42	Increase (Decrease) in Accounts Payable		8,161	(2,947)
43	Increase (Decrease) in Other Current Liabilities		(3,108)	4,687
44	Increase (Decrease) in Other Liabilities		0	0
45			0	0
46			0	0
47	Net Cash Provided (Used) By Operating Activities		$186	$9,865

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($9,815)	($11,966)
49	Less: Capital Lease Obligations Incurred		0	0
50	Cash Outflows for Property and Equipment		($9,815)	($11,966)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired		$0	$0
52	Goodwill Acquired		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed		0	0
55	Issuance of Stock or Capital Invested		0	0
56	Cash Outflows to Acquire Business Entities		$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions		$0	$0
58	Less: Issuances to Settle Long-Term Debt		0	0
59	Consideration in Acquisition of Business Entities		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions		$0	$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

RESORTS INTERNATIONAL HOTEL, INC.
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006

(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	226,347	$16,325	419	$71
2	Food	1,542,988	15,415	115,354	2,493
3	Beverage	2,770,975	8,644	0	0
4	Travel	0	0	31,506	3,130
5	Bus Program Cash	520,539	8,975	0	0
6	Other Cash Complimentaries	1,520,220	37,118	0	0
7	Entertainment	89,652	2,789	3,996	500
8	Retail & Non-Cash Gifts	4,917	74	79,447	9,136
9	Parking	0	0	0	0
10	Other	7,606	114	235,162	5,177
11	Total	6,683,244	$89,454	465,884	$20,507

* Included in Other Promotional Expenses for the twelve months ended December 31, 2006 is direct marketing postage in the amount of $2,947. No other single item or service included in other exceeds 5% of the column total

FOR THE THREE MONTHS ENDED DECEMBER 31, 2006

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	60,218	$4,093	104	$18
2	Food	440,878	4,047	26,219	840
3	Beverage	810,521	2,227	0	0
4	Travel	0	0	8,729	930
5	Bus Program Cash	149,988	2,470	0	0
6	Other Cash Complimentaries	364,559	9,595	0	0
7	Entertainment	27,678	1,087	1,173	147
8	Retail & Non-Cash Gifts	942	14	26,637	3,063
9	Parking	0	0	0	0
10	Other	1,761	27	82,681	1,819
11	Total	1,856,545	$23,560	145,543	$6,817

* Included in Other Promotional Expenses for the three months ended December 31, 2006 is direct marketing postage in the amount of $969. No other single item or service included in other exceeds 5% of the column total

RESORTS INTERNATIONAL HOTEL, INC.
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2006

1. I have examined this Quarterly Report

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Lawrence J. McCabe

4/2/2007
Date

Lawrence J. McCabe

Director - Finance
Title

3392-11
License Number

On Behalf of:

RESORTS INTERNATIONAL HOTEL, INC.
Casino Licensee

RESORTS INTERNATIONAL HOTEL INC.
NOTES TO FINANCIAL STATEMENTS

1. Basis of Presentation

Colony RIH Holdings, Inc., a Delaware corporation ("CRH"), owns 100% of the outstanding common stock of Resorts International Hotel and Casino, Inc. ("RIHC"). RIHC, through its subsidiary, Resorts International Hotel, Inc., a New Jersey corporation ("RIH" or the "Company"), owns and operates Resorts Atlantic City, a casino/hotel located in Atlantic City, NJ.

RIHC, Kerzner International North America, Inc., a Delaware corporation ("KINA"), formerly Sun International North America, Inc., and GGRI, Inc., a Delaware corporation ("GGRI"), entered into a purchase agreement, dated October 30, 2000, as amended (the "Purchase Agreement"). Pursuant to the Purchase Agreement, RIHC acquired all of the capital stock of RIH, the Warehouse Assets (as defined in the Purchase Agreement) and all of the capital stock of New Pier Operating Company, Inc. ("New Pier"), a New Jersey corporation (collectively, the "Acquisition") on April 25, 2001 for approximately $144.8 million.

The Acquisition has been accounted for using the purchase method, and accordingly, the aggregate purchase price, including transaction fees and expenses, has been allocated based on the fair value of the assets acquired and liabilities assumed.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Allowances for doubtful accounts arising from casino, hotel and other services, are based upon a specific review of certain outstanding receivables. In determining the amounts of the allowances, certain estimates and assumptions are made, and actual results may differ from those assumptions.

Cash Equivalents

Short-term money market securities purchased with original maturities of three months or less are considered to be cash equivalents. These securities are classified as available-for-sale, which are carried at fair value with unrealized gains and losses, net of tax, reported in other comprehensive income. The carrying value of cash equivalents approximates fair value due to the short-term maturity of these instruments.

Inventories

Inventories of provisions, supplies and spare parts are valued at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives reported below using the straight-line method. Interest costs incurred during the construction period are capitalized in accordance with Statement of Financial Accounting Standards No. 34, "Capitalization of Interest Costs." No interest expense was capitalized during 2006 since the capital projects and construction periods did not meet the standards of SFAS No.34. No interest expense was capitalized for the years ended December 31, 2006 and 2005.

Hotels and other buildings	35 – 40	years
Furniture fixtures and equipment	2 – 5	years

The provisions of SFAS No. 144 "Accounting for the Impairment or Disposal of Long- Lived Assets" ("SFAS No. 144") requires, among other things, that an entity review its long-lived assets and certain intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. SFAS No. 144 requires an impairment loss to be recognized only if the carrying amounts of long-lived assets to be held and used are not recoverable from their expected undiscounted future cash flows.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company follows the provisions of SFAS No. 109, “Accounting for Income Taxes”. Accordingly, deferred tax assets and liabilities are calculated as the difference between the financial statement carrying amounts and tax bases of assets and liabilities. These differences are affected by the tax rate for the year in which they are expected to be recovered or settled. A valuation allowance is recognized, if necessary, to account for the likelihood that these differences will not be realized in the future. Note 13 further addresses the components of the deferred tax assets and liabilities.

Revenue Recognition

Gaming revenue is recorded as the net win from gaming activities, which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services and from theater ticket sales are recognized at the time the related service is performed.

Self Insured Health Insurance

Effective June 2005, the Company changed its medical coverages for its non union employees. Such employees are now covered under a self-insured medical plan for each insured person. Amounts in excess of this threshold are covered by the Company’s insurance programs subject to customary policy limits.

Advertising

The Company expenses advertising costs as incurred. These costs are included in Selling, General and Administrative costs on the Company’s Consolidated Statements of Operations. For the years ended December 31, 2006, 2005 and 2004 these costs amounted to $6.8 million, $8.1 million and $6.9 million, respectively.

Pre-Opening Expenses

For the year ended December 31, 2004, the Company recorded $2.7 million of pre-opening expenses, primarily advertising and related costs, to promote the opening of the New Tower.

Stock-based Compensation

As allowed under the provisions of Financial Accounting Standards Board Statement Number 123 (“SFAS No. 123”), “Accounting for Stock-Based Compensation,” the Company applies the provisions of Accounting Principles Board Opinion Number 25, “Accounting for Stock Issued to Employees,” and related interpretations in accounting for employee stock options, and accordingly, does not recognize compensation expense. Had compensation expense for the employee stock option plan been determined in accordance with SFAS No. 123, pro forma results of operation would not have been materially different.

Equity instruments issued to non-employees in exchange for goods or services are accounted for using the fair value method and expense is recorded based on the value determined.

New Accounting Pronouncement

In December 2004, the FASB issued Financial Accounting Standards Board Statement No. 123 (revised 2004), Share-Based Payment(SFAS 123(R)), which requires stock-based employee compensation to be measured based on the grant-date fair value of the award and the cost to be recognized over the period during which an employee is required to provide service in exchange for the award. SFAS 123(R) eliminates the alternative use of APB No. 25's intrinsic value method of accounting for stock options granted to employees.

As a result of the provisions of SFAS 123R, the Company expects to incur compensation charges that will not be material to the Company's financial statements for the year ending December 31, 2006. However, the estimated compensation charges can be affected by a number of variables, including the Company's stock price and the timing of 2006 employee stock option grants. The Company has not yet determined the method of adoptions under SFAS 123® as permitted under the Statement.

3. Receivables

Components of receivables were as follows at December 31 (in thousands):

	2006	2005
Gaming	$ 8,514	$ 6,413
Less: allowance for doubtful accounts	(2,133)	(1,307)
	6,381	5,106
Non-gaming:		
Hotel and related	615	492
Due from affiliates	--	3,037
Other	1,686	1,036
	2,301	4,565
Less: allowance for doubtful accounts	(32)	(27)
	2,269	4,538
Receivables, net	$ 8,650	$ 9,644

4. Inventories

Components of inventories were as follows at December 31 (in thousands):

	2006	2005
Food and Beverage	$ 801	$ 774
Gifts	731	592
Tobacco	62	60
Allowance for obsolete inventory	(105)	(75)
	$ 1,489	$ 1,351

5. Prepaid Expenses and Other Current Assets

Components of prepaid expenses and other current assets were as follows at December 31 (in thousands):

	2006	2005
Prepaid insurance	$ 2,050	$ 886
Prepaid casino licenses	746	743
Other prepaid expenses	1,229	1,087
Other current assets	1	33
	$ 4,026	$ 2,749

6. Investments, Advances and Receivables

Components of investments, advances and receivables were as follows at December 31 (in thousands):

	2006	2005
CRDA bonds and direct investments	$ 10,555	$ 12,340
CRDA deposits	11,695	8,576
Valuation allowance	(10,026)	(9,267)
	$ 12,224	$ 11,649

The New Jersey Casino Control Act, as amended, requires RIH to purchase bonds issued by the Casino Reinvestment Development Authority (the "CRDA") or make other investments authorized by the CRDA, in an amount equal to 1.25% of RIH's gross gaming revenue, as defined.

The CRDA bonds have interest rates ranging from 3.5% to 7.0% and have repayment terms of between 20 and 50 years. The Company records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for the twelve months ended December 31, 2006 and 2005 for discounts on obligations was $1.0 million and $963,000 respectively.

From time to time RIH has donated certain funds it has had on deposit with the CRDA in return for either relief from its obligation to purchase CRDA bonds or credits against future CRDA deposits. The majority of the Company's deposits have been pledged for specific projects.

7. Property and Equipment

Components of property and equipment were as follows at December 31 (in thousands):

	2006	2005
Land and land rights	$ 35,224	$ 34,698
Hotels and other buildings	208,841	204,867
Furniture, fixtures and equipment	75,835	68,125
Construction in progress	354	3,383
	320,254	311,073
Less: accumulated depreciation	(70,985)	(53,261)
Net property and equipment	$ 249,269	$ 257,812

8. Other Accrued Expenses

Components of other accrued expenses were as follows at December 31 (in thousands):

	2006	2005
Insurance and related costs	$ 650	$ 1,313
Payroll and related liabilities	9,484	9,637
Gaming taxes and fees	1,930	1,761
Other	8,060	7,590
	$ 20,124	$ 20,301

9. Other Current Liabilities

Components of other current liabilities were as follows at December 31 (in thousands):

	2006	2005
Interest Payable	$ 6,197	$ 6,050
Due to affiliates	2,773	6,077
Other	2,984	3,037
	$ 11,954	$ 15,164

10. Long-Term Debt

Long-term debt is summarized as follows at December 31 (in thousands):

	#	2006		2005
First Mortgage Notes, net of unamortized discount	$	178,306	$	177,669
Thermal Energy capital lease		5,702		5,966
CIT/FF&E Financing		10,853		15,956
Other notes payable		9,996		250
		204,857		199,841
Less: current portion		15,742		5,617
	$	189,115	$	194,224

On March 14, 2007, subsidiaries of CRH and RIHC entered into that certain Loan Agreement with Column Financial, Inc., as Lender (the "Term Loan"). The Term Loan is for an initial principal amount of $350 million and is for an initial term of two (2) years. Interest on the Term Loan accrues at a rate of one month LIBOR plus 3.0%. The Term Loan is secured by a first priority deed of trust on the Resorts Hotel and Casino, Atlantic City, New Jersey, and certain other property owned by subsidiaries of CRH and RIHC.

Proceeds of the Term Loan were used to pay in full the existing indebtedness of CRH, RIHC and their subsidiaries, with Commerce Bank, CIT Group/Equipment Financing, Inc., and Kerzner International North America, Inc., and to redeem all of the outstanding 11 ½% First Mortgage Notes due 2009 (the "Notes") issued by RIHC. In connection with the redemption of the Notes by RIHC, the covenants under the indenture governing the Notes were defeased and a cash deposit in the amount of $192,410,000 was deposited in trust with the Deutsche Bank Trust Company Americas, as Trustee to satisfy payment upon redemption of the Notes on April 13, 2007. The redemption price is equal to 106% of the outstanding principal amount of $180,000,000 plus accrued interest to the redemption date of April 13, 2007.

The subsidiaries of CRH and RIHC also entered into that certain Credit Agreement with Column Financial, Inc., as Lender (the "Revolving Loan") which provides for a $10 million revolving credit facility. The proceeds of the Revolving Loan shall be used to provide the subsidiaries a line of credit to support working capital and/or letter of credit needs. The Revolving Loan is for an initial term of two (2) years. Interest on the Revolving Loan accrues at a rate of one month LIBOR plus 3.0% (8.3 % at March 14, 2007. The Revolving Loan is secured by a first priority mortgage on Resorts Atlantic City, and certain other property owned by subsidiaries of CRH and RIHC.

Pursuant to the terms of the Term Loan and the Revolving Loan, the principal amount of the loans including all accrued and unpaid interest on the principal must be prepaid upon acceleration of the loans following an event of default including: failure to pay any portion of the debt when due; failure to pay taxes prior to the date they become delinquent; failure to keep insurance policies in full force and effect; violation of the change in control restriction; breach of representations and warranties; bankruptcy of the Company; violation of the restrictions on assignment; breach of negative covenants; default under related loan and credit line documents; certain material defaults under any ground lease agreements, interest rate cap agreements, letters of credit or other material agreements; or if the gaming license for Resorts Atlantic City is materially impaired, lost or suspended for any period of time or terminated.

On March 22, 2002, RIHC sold $180.0 million aggregate principal amount of First Mortgage Notes (the "First Mortgage Notes") at a price of 97.686% yielding $175.8 million. Interest on the First Mortgage Notes was payable on March 15 and September 15 of each year, and the First Mortgage Notes were due in full on March 15, 2009. On March 14, 2007, the Company redeemed all of the First Mortgage Notes at 106.0%; (expressed as a percentage of principal amount), plus accrued and unpaid interest.

The First Mortgage Notes contained certain covenants that, among other things, limited RIHC's ability and the ability of its subsidiaries to pay dividends on, redeem or repurchase its or their capital stock, make investments, incur additional indebtedness, permit payment of or restrict dividends by certain of its subsidiaries, enter into sale leaseback transactions, sell assets, guarantee indebtedness, create certain liens, engage in transactions with affiliates, and consolidate, merge or transfer all or substantially all of its assets and the assets of its subsidiaries on a consolidated basis. The First Mortgage Notes also contained cross-default provisions whereby the acceleration of any indebtedness in an aggregate amount of $5 million or more prior to its scheduled maturity constituted an event of default under the First Mortgage Notes Indenture.

10. Long-Term Debt (continued)

In June 2002, RIH entered into a Thermal Energy Services Agreement (the “Thermal Agreement”). The initial term of the Thermal Agreement is 20 years, renewable at RIH's option for two additional five-year terms. The Thermal Agreement has three components: a monthly charge for operation and maintenance of the thermal energy facilities; a capital lease component for capital improvements whose value was estimated at $6.5 million on the date the Thermal Agreement was executed; and, a usage fee for steam and chilled water, whose usage and rate will vary by month of the year. The outstanding balance of the capital lease was $5.7 million at December 31, 2006.

In June 2002, RIH entered into a Restated Loan and Security Agreement with CIT Group/Equipment Financing, Inc (“CIT Facility”). The CIT Facility permitted RIH to borrow up to $20 million for the purchase of machinery, furniture, or equipment. Loans pursuant to the CIT Facility were repayable in up to a sixty- month amortization period from the date the loan was made. The outstanding loans associated with the CIT Facility bore interest at the rate of LIBOR plus seven and one-quarter percent. RIH was required to pay an annual fee equal to one-half percent of the unused portion of the CIT Facility. The outstanding balance due to CIT at December 31, 2006 was $10.9 million. The CIT Facility contained a fixed charge coverage ratio and a senior leverage financial covenant as defined in the Credit Facility. On March 29, 2006, the CIT Facility was

amended to modify the required covenant calculations at December 31, 2005 and on a prospective basis. Absent this amendment, the Company would not have been in compliance with the financial covenants. As a part of the amendment, the Company was required to pay $1 million of the outstanding principal prior to March 31, 2006 and a fee of $80,000. The amendment also redefined the interest rate on the facility based on a sliding scale on operating results (as defined). The $1 million of outstanding principal was reflected as a current liability at December 31, 2005.

In November 2002, RIH entered into a Loan and Security Agreement with Commerce Bank, N.A (“Commerce Facility”). The Commerce Facility agreement was amended in June 2006 to provide for working capital borrowings and letters of credit in an aggregate amount of up to $15 million, with the letter of credit portion of the Commerce Facility not to exceed $7.5 million and working capital borrowings not to exceed $10.0 million. The Commerce Facility was extended through March 31, 2007. The outstanding balance on the Commerce Facility at December 31, 2006 was $10.0 million. The Commerce Facility contained an interest coverage ratio and a minimum net worth requirement as defined in the Commerce Facility. On March 29, 2006, the CIT Facility was amended to modify the required covenant calculations at December 31, 2005 and on a prospective basis. Absent this amendment, the Company would not have been in compliance with the financial covenants.

During 2004, RREH purchased approximately 10.0 acres of land adjacent to and nearby the Resorts site. The land was acquired in exchange for the issuance of a $40 million note by RREH to KINA. This $40 million note matured immediately following the maturity, acceleration or refinancing (other than permitted refinancing) of the First Mortgage Notes. Interest on the $40 million note was payable semi-annually, and was calculated at the following annual rates: 0% through September 2005, 4% from October 2005 through March 2006, 6% from April 2006 through March 2008. The note payable to KINA was guaranteed by CRH, RIHC and RIH, provided, however that the guarantee of RIHC and RIH did not become effective until either the First Mortgage Notes had been paid in full or the fixed charge coverage ratio of RIHC is at least 2.0 to 1.0 In addition, the amount guaranteed was initially limited to $20 million increasing by $5 million each year. The KINA Note contained cross-default provisions whereby the acceleration of the scheduled maturity of the First Mortgage Notes constituted an event of default under the KINA Note.

At December 31, 2006, the aggregate amount of principal payments on all long-term indebtedness, by year is as follows (in thousands):

2007	$	15,742
2008		5,669
2009		180,298
2010		310
2011		323
Thereafter		4,210
Total	$	206,552

11. Related Party Transactions

RIH recorded the following expenses from affiliates for the twelve months ended December 31 (in thousands):

	2006	2005
Interest and amortization of discounts on First Mortgage Notes	$ 21,336	$ 21,291

12. Retirement Plans

RIH has a defined contribution plan in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in this plan. Contributions are made to the plan based on a percentage of eligible employee contributions. Contribution expense for this plan was $970,000 and $582,000 for the years ended December 31, 2006 and 2005 respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. RIH's pension expense for these plans was $3,257,000 and $2,168,000 for the years ended December 31, 2006 and 2005, respectively.

13. Income Taxes

Income tax expense (benefit) is comprised of the following for the year ended December 31 (in thousands):

	Year ended December 31,	
	2006	2005
Current:		
Federal	$ -	$ -
State	1,200	1,502
	1,200	1,502
Deferred:		
Federal	-	(2,516)
State	1,890	(1,153)
	1,890	(3,669)
	$ 3,090	$ (2,167)

The components of the deferred tax assets and liabilities were as follows at December 31 (in thousands):

	2006	2005
Deferred tax assets (liabilities):		
Basis differences on property and equipment	$ (10,495)	$ (10,135)
Other	(1,909)	(1,066)
Total deferred tax liabilities	(12,404)	(11,201)
Deferred tax assets:		
NOL and capital loss carryforwards	24,941	12,833
Book reserves not yet deductible for tax	3,257	2,769
Tax credit carryforwards	2,550	1,890
Other	4,335	3,464
Total deferred tax assets	35,083	20,956
Valuation allowance for deferred tax assets	(22,679)	(7,865)
Deferred tax assets, net of valuation allowance	12,404	13,091
Net deferred tax assets (liabilities)	$ -	$ 1,890

13. Income Taxes (continued)

The effective income tax rate varies from the statutory Federal income tax rate as a result of the following factors:

	2006	2005
Statutory Federal income tax rate	(34.0%)	(34.0%)
Change in Federal income tax rate for deferred taxes	-	-
Change in valuation allowance	31.8%	5.9%
State taxes, net of Federal benefit	8.9%	1.9%
Non-deductible provisions and expenses	6.9%	8.3%
Other	(.1%)	0.5%
Effective tax rate	13.5%	(17.4%)

On June 30, 2003, the State of New Jersey amended the New Jersey Casino Control Act, effective July 1, 2003, to impose or increase certain taxes and fees, including a tax at the rate of 7.5% on the adjusted net income of casino licensees in calendar year 2002, payable in the state's fiscal years 2004 though 2006. This tax expired June 30, 2006, the state's fiscal year end. The amount of this tax for each licensee is limited to a maximum of $10.0 million annually and a minimum of $350,000 annually. For the years ended December 31, 2006 and 2005, the Company recorded a provision of $175,000 and $350,000, respectively

On July 3, 2002, the State of New Jersey passed the New Jersey Business Tax Reform Act which, among other things, required the suspension of the use of the New Jersey net operating loss carryforwards for two years and introduced an alternative minimum assessment ("NJAMA") under the New Jersey corporate business tax based on gross receipts or gross profits, as defined. The Tax Act was retroactive to January 1, 2002. In accordance with the Tax Act, the Company recorded a provision for current income tax of $1,025,000 and $1,008,000, for the years ended December 31, 2006 and 2005, respectively.

At December 31, 2006, the Company has a net operating loss carryforward for Federal purposes of $33.1 million, which will begin expiring in the year 2024 and forward. A valuation allowance has been provided against the Company's net Federal deferred tax asset including the net operating loss carryforwards.

At December 31, 2006, the Company has a state net operating loss carryforward of approximately $123.9 million. The carryforward will expire as follows: 2007, $40.2 million; 2008, $20.7 million; 2009, $48.8 million; 2010, $4.4 million and 2011, $9.8 million. The Company has reported a full valuation allowance against the carryforward because it does not expect to realize the tax benefit, primarily due to the limited expiration period

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Management has determined that the realization of certain of the Company's deferred tax assets is not more likely than not and, as such, has provided a valuation allowance against those deferred tax assets at December 31, 2006 and 2005. Increases (decreases) in the valuation allowance totaled $14.8 million and $646,000 for the years ended December 31, 2006 and 2005 respectively.

14. Commitments and Contingencies

Litigation

The Company is a defendant in certain litigation. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the financial position, results of operations, or liquidity of RIHC.

License Renewal

On January 21, 2004, the New Jersey Casino Control Commission (the "NJCCC") renewed RIH's license to operate its casino hotel complex in Atlantic City for the four-year period ending January 31, 2008. The license period for a casino license renewed after April 30, 2004, shall be up to five years, but the NJCCC may reopen licensing hearings at any time. The NJCCC shall act upon any such application prior to the date of expiration of the current license. A casino license is not transferable.

14. Commitments and Contingencies (continued)

Commitments

The Company leases land, office space and certain equipment under non-cancelable operating lease arrangements. These leases expire in various years. Rent expense under these lease agreements for the years ended December 31, 2006, 2005 and 2004 was approximately $3.8 million, $3.0 million and $5.4 million, respectively. Future minimum lease payments under noncancelable operating leases consist of the following at December 31, 2006 (in thousands):

2007	$ 3,231
2008	2,447
2009	2,447
2010	2,447
2011	956
2012 and thereafter	$ 9,772

New Jersey Sports & Exposition Authority

The twelve Atlantic City casino properties operating in 2004 (the "AC Industry") and the Casino Reinvestment and Development Authority ("CRDA") have entered into an agreement with the New Jersey Sports & Exposition Authority (the "NJSEA") to provide funding to subsidize New Jersey's horseracing industry. In exchange for this funding, the NJSEA and the three active New Jersey racetracks will not conduct any casino gaming at the racetracks prior to January 1, 2009. As part of the agreement, the AC Industry will provide $34 million over a four-year period to the NJSEA and must deposit another $62 million into the Casino Expansion Fund (managed by the CRDA). The $62 million will be derived from funds either currently on deposit or to be deposited with the CRDA pursuant to each casino property's investment obligation. The Company's obligation is equal to its fair share of AC Industry casino revenues. The Company estimates this commitment over the four-year period to be approximately $4.8 million, the first payment of which was made in November 2004. The total estimated commitment will be charged to operations on a straight-line basis through January 1, 2009. Once the Company meets its deposit obligation related to its fair share of the $62 million, the Company is eligible to receive funds from the Casino Expansion Fund for qualified construction expenditures. The Company has until December 31, 2014 to submit an application to exhaust its share of the Casino Expansion Fund. Any funds not transferred out of the Casino Expansion Fund by the required date will be transferred to funds on deposit with the CRDA pursuant to its ongoing investment obligations.

RESORTS INTERNATIONAL HOTEL, INC.
ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2006

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

RESORTS INTERNATIONAL HOTEL, INC.
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2006

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks..............................	$5,340		
2	Returned Patrons' Checks..................................	3,174		
3	Total Patrons' Checks......................................	8,514	$2,133	$6,381
4	Hotel Receivables..	615	32	$583
	Other Receivables:			
5	Receivables Due from Officers and Employees....			
6	Receivables Due from Affiliates..........................			
7	Other Accounts and Notes Receivables................	1,686		
8	Total Other Receivables....................................	1,686		$1,686
9	Totals (Form CCC-205)..	$10,815	$2,165	$8,650

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)..	$4,502
11	Counter Checks Issued..	134,190
12	Checks Redeemed Prior to Deposit..	(101,664)
13	Checks Collected Through Deposits..	(26,506)
14	Checks Transferred to Returned Checks..	(5,098)
15	Other Adjustments..	(84)
16	Ending Balance...	$5,340
17	"Hold" Checks Included in Balance on Line 16..	0
18	Provision for Uncollectible Patrons' Checks..	$2,133
19	Provision as a Percent of Counter Checks Issued...	1.6%

RESORTS INTERNATIONAL HOTEL, INC.
EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2006 (AMENDED)

($ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages: Other Employees (d)	Salaries and Wages: Officers & Owners (e)	Salaries and Wages: Totals (f)
	CASINO:				
1	Table and Other Games	710			
2	Slot Machines	172			
3	Administration	0			
4	Casino Accounting	11			
5	Simulcasting	0			
6	Other	49			
7	Total - Casino	942	$26,726,237	$315,004	$27,041,241
8	ROOMS	251	5,640,824		5,640,824
9	FOOD AND BEVERAGE	675	14,130,346		14,130,346
10	GUEST ENTERTAINMENT	188	1,042,142		1,042,142
11	MARKETING	147	609,131	68,539	677,670
12	OPERATION AND MAINTENANCE	224	7,822,714		7,822,714
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	30	337,531	1,163,031	1,500,562
14	Accounting and Auditing	54	807,327		807,327
15	Security	188	4,938,283		4,938,283
16	Other Administrative and General	41	2,514,915		2,514,915
	OTHER OPERATED DEPARTMENTS:				
17	Uniform Room	12	307,972		307,972
18	Health Club/Spa	7	252,816		252,816
19	Parking Operations	47	828,003		828,003
20	Coat Check	2	15,810		15,810
21	Employee Cafeteria	39	27,258		27,258
22					0
23	TOTALS - ALL DEPARTMENTS	2,847	$66,001,309	$1,546,574	$67,547,883

Resorts Atlantic City

ANNUAL GROSS REVENUE TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2006

Line		
	GROSS REVENUE:	
1.	Table and Other Games…	$ 66,889,246
2.	Slot Machines	216,006,471
3.	Total Gross Revenue	282,895,717
4.	Adjustments…	8,874
5.	Taxable Gross Revenue (line 3 plus line 4)	282,904,591
6.	Tax on Gross Revenue - Reporting Year (8% of line 5)	22,632,367
7.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	50,078
8.	Total Taxes on Gross Revenue (the sum of lines 6 and 7)	22,682,445
9.	Total Deposits Made for Tax on Reporting Year's Gross Revenue	(22,632,688)
10.	Settlement of Prior Years' Tax on Gross Revenue Resulting from Audit or Other Adjustments - (Deposits) Credits	(50,078)
11.	Gross Revenue Taxes Payable (the net of lines 8, 9 and 10)	$ (321)

Under penalties of perjury, I declare that I have examined this Annual Gross Revenue Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

3/15/2007
Date

Andrew Barth

Director Operational Accounting 7703-11
Title (License Number)